

ASSEMBLY, No. 1740

STATE OF NEW JERSEY

INTRODUCED MARCH 25, 1996

By Assemblyman GARCIA

1 AN ACT concerning the State lottery and supplementing P.L.1970,
2 c.13 (C.5:9-1 et seq.).

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4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. A person entitled to a lottery prize of \$50,000 or more on a
8 winning ticket or share shall have the option of receiving payment of
9 the prize either in a lump sum or by periodic payments. The periodic
10 payments shall be made according to the life expectancy of the person,
11 pursuant to standard mortality tables for life expectancy, and shall be
12 in an amount equal to the comminuted or present value of the prize as
13 of the date of the payment measured by the present value of an annuity
14 contract purchased by the Division of the State Lottery which would
15 result in the payment of the prize on an annual basis over a period of
16 twenty years. The division shall be discharged of all further liability
17 upon the payment of the prize in a lump sum or, if the person chooses
18 periodic payments, upon the purchase and delivery of an annuity
19 contract.

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21 2. The provisions of this act shall not be exercisable by the estate
22 or assignee of any person entitled to a prize of \$50,000 or more on a
23 winning ticket or share.

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25 3. This act shall take effect immediately.

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STATEMENT

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30 This bill provides that a person entitled to a lottery prize of \$50,000
31 or more on a winning ticket or share shall have the option of receiving
32 payment of the prize either in a lump sum or by periodic payments.
33 The periodic payments shall be made according to the life expectancy
34 of the person, pursuant to standard mortality tables for life expectancy,
35 and shall be in an amount equal to the comminuted or present value of
36 the prize as of the date of the payment measured by the present value
37 of an annuity contract purchased by the Division of the State Lottery

1 which would result in the payment of the prize on an annual basis over
2 a period of twenty years. The division shall be discharged of all
3 further liability upon the payment of the prize in a lump sum or, if the
4 person chooses periodic payments, upon the purchase and delivery of
5 an annuity contract. It should be noted that a person choosing a lump
6 sum payment may receive a lesser total amount than a person choosing
7 periodic payments.

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12 Provides for payment of lottery prizes of \$50,000 or more either in a
13 lump sum or by periodic payments at the discretion of the prize
14 winner.